

TO: Mr. Jon N. Zoler

FROM: Barbara S.G. Weinstein

SUBJECT: YEAR-END EXPECTATIONS

DATE: November 5, 1985

Predicated on the industry and company estimates received recently from John Maxwell, the following are levels of year end inventory accumulation by the trade needed to realize his figures.

	<u>1985 Total Volume (Billions)</u>				Matching	Expected
		J.C.			1984	1985
	Expected	Maxwell			Add'l.	Add'l.
	<u>Trend</u>	<u>Estimate</u>	<u>Diff.</u>		<u>Volume</u>	<u>Volume</u>
Total Industry	591.5	597.5	6.0	+	15.4	= 21.4
Philip Morris	210.4	213.5	3.1*	+	5.1	= 8.2
R.J. Reynolds	190.0	191.0	1.0	+	8.8	= 9.8
Brown & Williamson	69.0	70.4	1.4	+	1.1	= 2.5
Lorillard	48.0	48.5	0.5	+	0.4	= 0.9
American	44.3	44.3	-		-	-
Liggett	29.8	29.8	-		-	-

*Includes 1.6 billion units for new products:

Virginia Slims 120's 1.0 billion
Players Lights 25's 0.6 billion

This extra inventory (21.4 billion units) is unprecedented in recent cigarette times.



BSGW:hg

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